



**House Committee on Michigan Competitiveness
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HB 4714**

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To put our comments in context, it is important to understand the burden of cancer. One in two men and one in three women will be diagnosed with cancer in their lifetime. The American Cancer Society estimates that 57,560 new cases of cancer will be diagnosed and that approximately 20,570 cancer deaths will occur in Michigan in 2013.¹

Cancer and the uninsured

To reduce this burden, ACS CAN believes that policymakers should take an aggressive approach to fighting cancer. It is important that measures be enacted to ensure that people have access to adequate and affordable healthcare. This is one of the most effective ways to prevent and detect cancer early, treat cancer effectively and bolster the quality of life of patients enduring cancer treatment.

According to the U.S. Census Bureau, there were more than 1,200,000 Michiganders who did not have health insurance in 2011, (or 12.5% of the state population).² Two major areas of concern for an individual who receives a cancer diagnosis are “what are the chances of recovery” and “what is the cost of treatment”?

Individuals lacking health insurance are less likely to get recommended cancer screenings and are more likely to be diagnosed with cancer at later stages.³ For example, uninsured women diagnosed with breast cancer are 2.5 times more likely to have a late stage diagnosis than women enrolled in private health insurance.⁴

¹ American Cancer Society, “Cancer Facts & Figures, 2012, Updated.” Atlanta: American Cancer Society, 2012.

² United State Census Bureau, see:

http://www.census.gov/hhes/www/hlthins/data/historical/HIB_tables.html, accessed 11/12/12, Table HIB-4, “Health Insurance coverage Status & Type of Coverage by State All People: 1999 to 2011.

³ Halpern MT, Bian J, Ward EM, Schrag NM, Chen AY. “Insurance status and stage of cancer at diagnosis among women with breast cancer.” *Cancer* 2007; 110: 403-11.

⁴ Kaiser Commission on Medicaid and the Uninsured. “The Uninsured: A Primer. Key Facts About Americans Without Health Insurance,” January 2006.

Research also indicates that approximately 10 percent of cancer patients are uninsured at the time of diagnosis.⁵ Equally troubling, about one-third of cancer survivors report a loss of health insurance at some point in time since their diagnosis.⁶

Assuring that every Michigander has access to adequate health insurance is important to all these issues. It has been demonstrated that the uninsured and underinsured are more likely to develop cancer, to have their cancer detected later and to receive inadequate treatment. Simply stated, ACS CAN's goal to reduce and eliminate cancer morbidity and mortality cannot be realized without adequate health care access.

Medicaid coverage helps save lives from cancer

Individuals enrolled in Medicaid have better access to health care than do the uninsured. If they get cancer, it's more likely to be discovered at an early stage and, compared to the uninsured; they have better access to outpatient and hospital care and prescription drugs.

Thousands of hard-working, low-income Michigander continue to lack access to healthcare coverage. Increasing access to health care coverage to those at or below 133% of the Federal Poverty Level (\$15,282 for an individual or \$31,322 for a family of four) will ensure that Michigan families have access to cancer prevention and early detection services. Additionally, participation in the Medicaid expansion, will allow more Michiganders to, see a doctor regularly, access preventive services such as pap smears, mammograms and smoking cessation aids and avoid unnecessary visits to the emergency department. Access to these critical services enhances the likelihood of detecting cancer at an earlier, more curable and much less expensive stage.

Studies show that individuals enrolled in Medicaid, receive life-saving preventative screenings at higher rates than the uninsured and close to the same rate of those enrolled in private insurance. More than half (56%) of the women aged 40 to 64 enrolled in Medicaid received a mammogram in the past two years, compared to 38% of uninsured women, and 56% of insured women aged 40 to 64.⁷ Also, 74% of women aged 18 to 64 enrolled in Medicaid received a Pap smear in the past 3 years, compared to 68% of uninsured women, and 87% of insured women aged 18 to 64.⁸

ACS CAN realizes that the state of Michigan faces significant budget challenges and we encourage you to consider the financial benefit of the Medicaid expansion. Under the ACA, the federal government will pay for 100% of the Medicaid expansion and no less than 90% of the cost to provide health care coverage to working, low-income Michiganders, beyond 2020.⁹ As

⁵ Thorpe KE, Howard D. "Health Insurance and Spending Among Cancer Patients" *Health Affairs* 2003. *W3*; 189-198.

⁶ American Cancer Society Cancer Action Network. "Facing Cancer in the Healthcare System: A National Poll." May 21 – June 10, 2010. <http://www.acscan.org/healthcare/cancerpoll>.

⁷ Ward et al. "Association of Insurance with Cancer Care Utilization and Outcomes," *A Cancer Journal for Clinicians* Volume 58 Number 1 January/February 2008. American Cancer Society Surveillance Research Update 2011.

⁸ Ward et al. "Association of Insurance with Cancer Care Utilization and Outcomes," *A Cancer Journal for Clinicians* Volume 58 Number 1 January/February 2008. American Cancer Society Surveillance Research Update 2011.

⁹ The Kaiser Family Foundation, "State Medicaid Fact Sheets," Available at: <http://www.statehealthfacts.org>.

Governor's Snyder's FY14 budget proposal indicates, Michigan could experience economic activity that would allow more than \$20 billion to flow into the state and result in \$1.2 billion in General Fund savings through 2020.

Should the Legislature support the Governor's proposal to accept the millions of dollars of federal funding being offered to the state of Michigan, to increase access to health coverage through Medicaid – an estimated 320,000 individuals would gain access to timely, appropriate and affordable health care coverage¹⁰. Further, Michigan will greatly assist in the effort to eliminate cancer as a major health problem.

For this reason, ACS CAN is supportive of HB 4714's goal to extend coverage to all eligible adults up to 133% of the federal poverty level (FPL) between the ages of 21 and 64. ACS CAN is also supportive of the goal to draw the full 100% FMAP available from the federal government, however to prevent the dissolution of the program in 3 years (when the federal matching rate will be reduced to 95%) , we encourage amending the bill to permit the gradual decline in FMAP to no less than 90% over the next 10 years and thereafter as is permitted under the ACA.

HB 4714 is an important step in continuing discussions to ensure access to health coverage for hundreds of thousand working adults in Michigan, however certain provisions of this legislation pose serious threats to cancer patients. ACS CAN strongly opposes the 48 month limit on coverage through the medical assistance program. This limit assumes an individual will gain access to another form of coverage in that time frame and this will not often be the case. This provision also puts those under 100% of FPL at much higher risk for remaining uninsured as they will be ineligible for subsidies to help them afford private coverage through the exchange.

While we agree that some of the provisions of this bill could have a positive impact on Michigan, we were left with several questions upon our review of HB 4714.

1. The bill requires that non-disabled adults eligible for enrollment in the medical assistance program will be given the option to decline enrollment and instead select a private plan on or off the exchange.
 - Will these individuals have access to a certified navigator or other form of consumer assistor to explain the differences in cost and coverage for these two options?
 - If an individual choses to purchase private insurance through the exchange, will they be provided with premium assistance to ensure that their out of pocket expenses do not exceed the annual 5% limit?
2. The bill states that those enrolled in the medical assistance program may be required to contribute no more than 5% of their total annual household income to a health savings

¹⁰ The Kaiser Family Foundation, "The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State-by-State Analysis ," Available at: <http://www.kff.org/medicaid/upload/8384.pdf>

account to pay for cost sharing. If applicable, how often will these contributions have to be made to the account? Annually? Monthly?

3. The bill also states the individuals will make above contributions based on the Department of Community Health's determination of one's ability to pay. What will this determination process look like and what criteria will be used to determine how much/if one can contribute?

As you consider this unique opportunity, I urge you to remember that the only way we can successfully reduce cancer incidence and mortality in Michigan, is through increased access to health care coverage and insurance. We stand ready to assist the Michigan legislature and the Governor in crafting a final proposal. Thank you for the opportunity to comment on the critical health care decisions that lay ahead of this committee and the legislature.